The Aluminum Situation

A Monthly Publication of
The Aluminum Association, Inc., 818 Connecticut Avenue, NW, Washington, DC 20006

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October, 1979

Shipments Up 6.2 Per Cent

Net shipments of aluminum ingot and mill products through August, 1979, at an estimated 9,942 million pounds were 6.2% higher than shipments of 9,362 million pounds for eight months of 1978.

Domestic shipments totalled 9,289 million pounds through August, 1979, representing an increase of 4.0% over the 8,933 million pounds shipped in the first eight months of 1978.

Exports of 653 million pounds so far this year were up 52.2% vs. 429 million pounds for eight months of 1978.

Thru August 1979

	8 Mos. 1979	8 Mos. 1978	% Change
Mill Products	8,048	7,801	+ 3.2
Ingot	1,894	1,561	+21.3
Total	9,942	9,362	+ 6.2
Less Exports	−653	−429	+52.2
Domestic Total	9,289	8,933	+ 4.0

Millions of Pounds

Source: Latest month estimated by the Aluminum Association. Previous data—Bureau of the Census

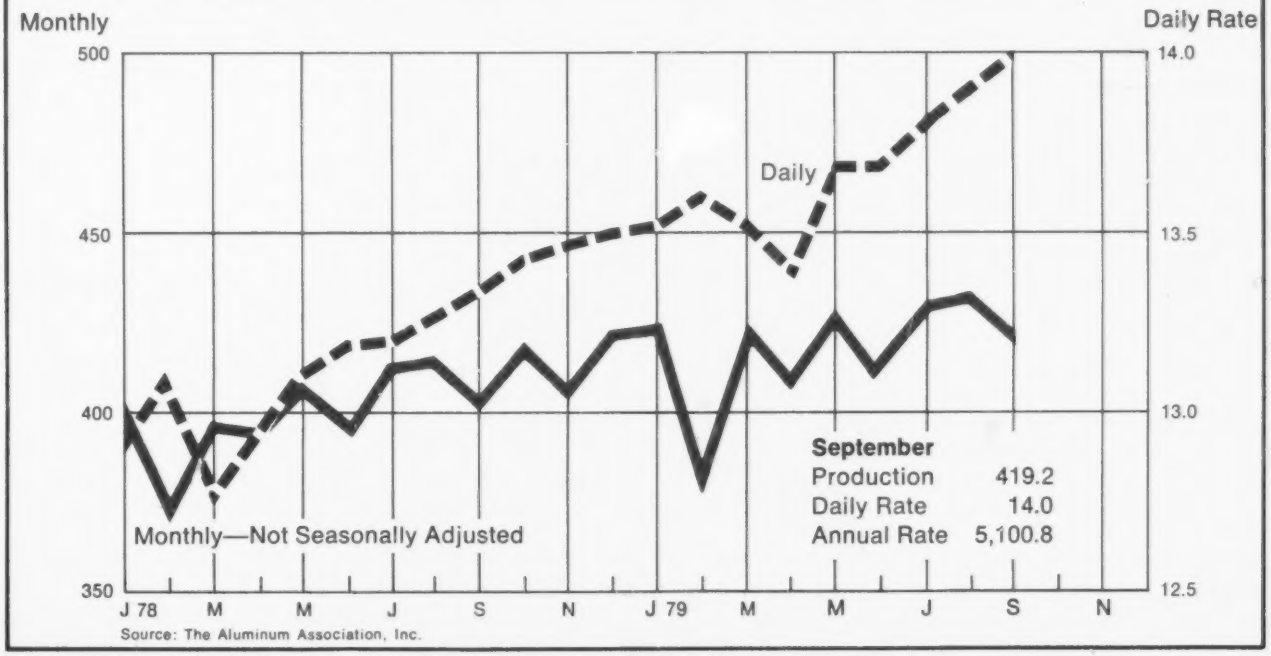
Primary Production Rate Up 5.0 Per Cent

U.S. primary aluminum production averaged 13,975 short tons daily during September, 1979, compared with an average 13,305 tons a day in September, 1978.

The annual rate of production in September, 1979 was 5,100,845 tons, compared to 4,856,155 tons in September, 1978. The August production rate was a revised 5,065,164 tons.

Actual production in September, 1979 was 419,248 tons. This compared with 399,136 tons in September, 1978 and a revised 430,192 tons in August, 1979.

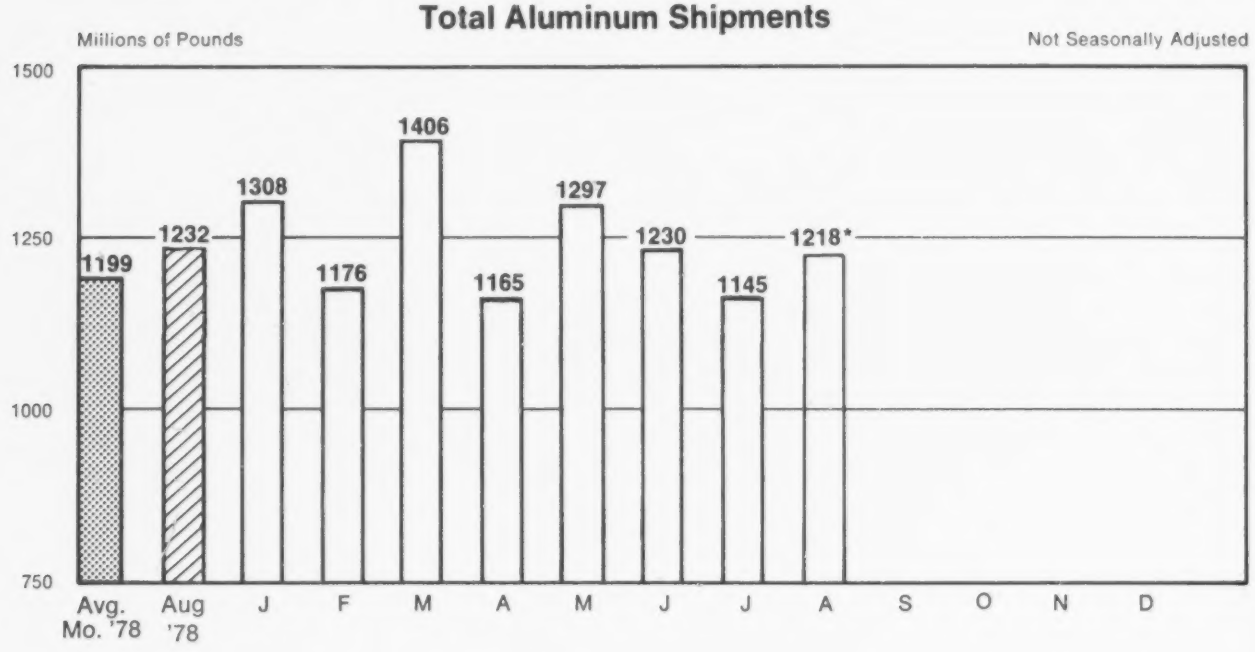
U.S. Primary Aluminum Production—Thousands of Short Tons



Source: The Aluminum Association, Inc.

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Total Aluminum Shipments



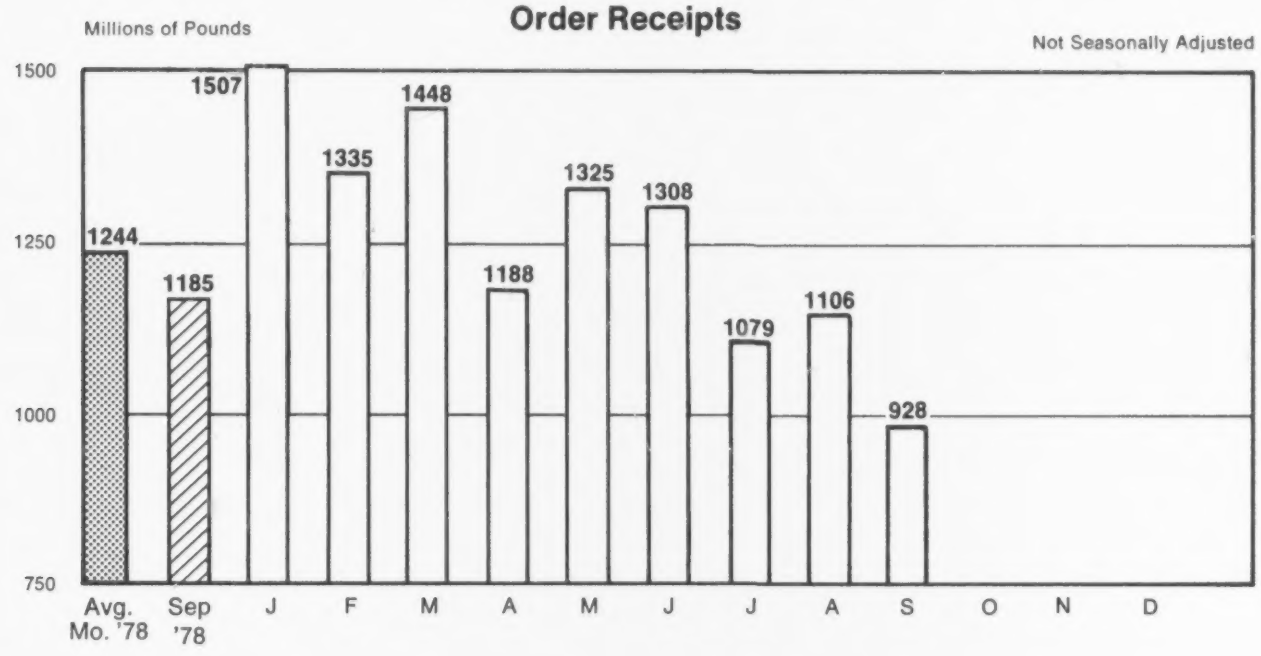
Net Shipments
(Millions of Pounds)

	1979		1978	% Change
	August*	July	August	Latest Month 1979 v. 1978
Sheet & Plate	537.0	525.1	561.5	− 4.4
Foil	74.0	69.8	73.5	+ 0.7
Rod, Bar & Wire	35.0	32.0	36.2	− 3.3
Electrical Conductor	78.0	66.6	72.3	+ 7.9
Extruded Products	198.0	182.2	231.4	−14.4
Welded Tube	7.0	7.5	7.0	—
Powder & Pigments	9.0	11.6	13.2	−31.8
Forgings & Impacts	11.0	10.4	12.1	− 9.1
Net Imports of Mill Products (Total) (a)	27.0	26.9	46.4	−41.8
Total Mill Products	976.0	932.1	1,053.6	− 7.4
Ingot	242.0(b)	212.4	177.9	+36.0
TOTAL INDUSTRY SHIPMENTS	1,218.0	1,144.5	1,231.5	− 1.1
Exports	(85.3)	(59.6)	(64.4)	+32.5
TOTAL DOMESTIC SHIPMENTS	1,132.7	1,084.9	1,167.1	− 2.9

* Latest month estimated by the Aluminum Association.
Previous data—Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

August Shipments Down 1.1 Per Cent from Year Ago

Total August net shipments of 1,218 million pounds were down an estimated 1.1% vs. August, 1978. However, they registered a 6.4% gain over July, 1979 shipments of 1,145 million pounds. Domestic shipments were 2.9% below August, 1978, but 4.4% higher than July, 1979.



Order Receipts

Millions of Pounds

	1979		1978	% Change
	September*	August	September	Latest Month 1979 v. 1978
Can Stock	157.9	254.5	227.2	− 30.5
Sheet & Plate, Other	219.1	246.4r	291.0	− 24.7
Foil	48.2	52.8r	74.3	− 35.1
Rod, Bar & Wire	26.8	26.7	32.6	− 17.8
Electrical Conductor	52.0	82.4	71.4	− 27.2
Extruded Products	169.5	200.1	185.5	− 8.6
Primary Ingot	49.4	34.2r	22.3	+121.5
Other (Including Secondary Ingot)	161.5	136.5	193.3	− 16.5
TOTAL DOMESTIC	884.4	1,033.6r	1,097.6	− 19.4
Exports	43.7	72.8	86.9	− 49.7
TOTAL ALL PRODUCTS	928.1	1,106.4r	1,184.5	− 21.6

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.

* Latest month.
r-revised.

September Orders Down 21.6% From Year Ago

September order receipts at 928 million pounds were down 21.6% from September, 1978 orders of 1,185 million pounds. They also showed a 16.1% decline from August, 1979. For the first nine months of 1979, order receipts of 11,223 million pounds about equalled the 11,225 million pounds for the first nine months of 1978.

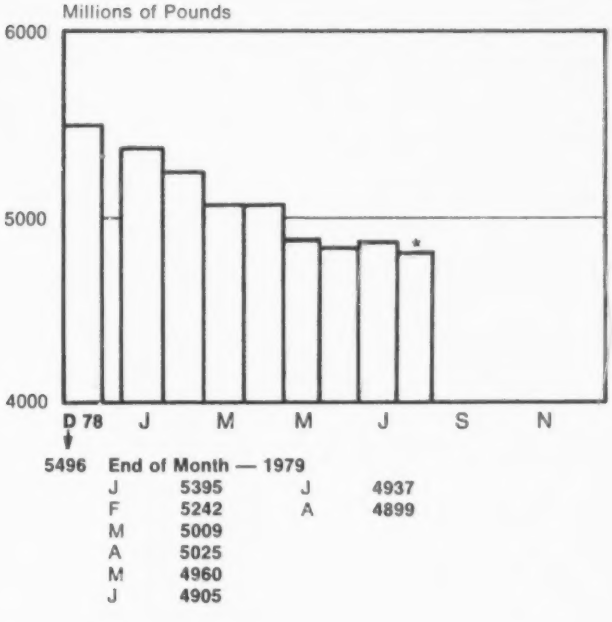
Producer Stocks Down 38 Million Pounds

Producer inventories declined an estimated 38 million pounds in August, 1979, from 4,937 million pounds in July to an estimated 4,899 million pounds.

Integrated producer stocks went down 32 million pounds. Secondary smelters' and nonintegrateds' stocks both showed slight declines.

Inventories through eight months of 1979 were down an estimated 597 million pounds from year-end 1978.

Inventories



Producer Inventories
(Millions of Pounds)

Producers	Aug '79	July '79	Aug '79 vs. Year End '78
Integrateds	4,009	4,041	−450
Smelters	240	243	− 21
Nonintegrated	650	653	−126
TOTAL	4,899	4,937	−597

* Latest month estimated by Aluminum Association. Previous data—Bureau of the Census. Inventories include ingot, mill products and scrap.

Imports and Exports
(Millions of Pounds)

		1979		1978	% Change Latest Month
		August	July	August	1979 v. 1978
Imports	Mill Products	35.6	35.6	51.2	− 30.5
	Ingot	62.3	126.2	101.3	− 38.5
	TOTAL	97.9	161.8	152.5	− 35.8
	Scrap (+ dross)	11.0	26.3	13.1	− 16.0
Exports	Mill Products	60.9	43.0	42.4	+ 43.6
	Ingot	24.4	16.6	22.0	+ 10.9
	TOTAL	85.3	59.6	64.4	+ 32.5
	Scrap	48.4	50.4	39.3	+ 23.2
Net Imports		(24.8)	78.1	61.9	−140.1

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Exports exclude backed foil.

In the first 8 months of 1979, total imports (excluding scrap) of 1,132 million pounds were down 291 million pounds from the same 1978 period. Exports were up 224 million to a 654 million pound total. Net imports thus dropped 516 million pounds.